



Rebuild Iowa Task Force Economic and Workforce Development Meeting Notes

Governor Chester J. Culver
Lt. Governor Patty Judge, RIO Executive Director

**October 8, 2008, 9:30 am – 3:30 pm
Iowa Department for the Blind
524 Fourth Street, Des Moines, Iowa**

Task Force Members Present:

Mike Earley, Co-chair, Bankers Trust, Des Moines
Bill Gerhard, Co-chair, Iowa State Building and Construction Trades Council, Iowa City
Elisabeth Buck, Iowa Workforce Development, Des Moines
Sheri Carnahan, American Federal of State, County, and Municipal Employees, Des Moines
Dusky Terry, Central Iowa Power Cooperative, Des Moines
Representative David Jacoby, Iowa General Assembly, Coralville
Jessica Palmer, Cedar Rapids Area Convention and Visitors Bureau, Cedar Rapids
Diane Ramsey, Alliant Energy, Cedar Rapids
Michael Richards, Soya Wax, Cedar Rapids
Justin Shields, Hawkeye Labor Council/City Council Member, Cedar Rapids
Mallory Smith, M. Smith Agency, Columbus Junction
Mike Tramontina, Iowa Department of Economic Development, Des Moines
Robert Untiedt, Linn County Nonprofit Resource Center, Cedar Rapids
Dennis Warrick, Manpower, Des Moines
Representative Tami Wiencek, Iowa General Assembly, Waterloo

Resource Group Members Present:

Mark Andersen, Northeastern Iowa Synod, ELCA, Waverly
Victor Elias, Child and Family Policy Center, Des Moines
Kelly Fredericks, Iowa Workforce Development, Des Moines
Lily French, Iowa Policy Project, Coralville
Roger Grobstich, RWDSU International Union, Hiawatha
Kirk Hiland, Iowa Realty Commercial, Cedar Rapids
Mark Reinig, The University of Iowa, Pomerantz Career Center, Iowa City
Douglas Schumacher, A1 Rental, Cedar Rapids
Carl Sefl, ROI Marketing Services, Hiawatha
Elliott Smith, Iowa Business Council, Des Moines
Thomas Summy, Retired, Iowa City

Observers Present:

Noreen Bush, House Republican Caucus Staff, Des Moines
David Epley, House Democratic Caucus Staff, Des Moines
Jami Haberl, Safeguard Iowa Partnership, Des Moines
Joshua McNary, Aerial Services, Inc. Cedar Falls
Sue Monohan, Democrat Caucus Staff, Des Moines

Ron Robinson, Legislative Services Agencies, Des Moines
Ross Trimble, Senate Republican Caucus Staff, Des Moines
Tim Whipple, Legislative Services. Des Moines

Staff Present:

Paritosh Kasotia, SPPG
Joe Mowers, IWD/RIO
Bill Riley, RIO
Jon Rosmann, SPPG
Tom Slater, SPPG
Laura Stein, RIO

Welcome and Opening Comments

Co-chair Gerhard welcomed and thanked everyone for their work. Co-chair Earley also welcomed everyone and thanked everyone for their participation. Co-chair Earley reviewed the task for the day and informed the group that the Commission will meet on November 6 and 7 to review the information from all Task Forces. He expressed his appreciation for Governor Culver and Major General Dardis for their work on the flood recovery. Co-chair Earley asked people to make introductions. Attendees introduced themselves.

Rosmann reviewed the purpose of the Task Force meeting and laid out the agenda for the day which included updates from the attendees as well as from RIO staff, Iowa Department of Economic Development and Iowa Workforce Development. The afternoon will be focused on the long-term strategies that will be forwarded to the Commission to review. Rosmann asked people to give updates and bring forth any issues that were not discussed in the previous Task Force meeting.

One Task Force member talked about the two industrial plants in Cedar Rapids that are relocating outside Iowa because they did not receive financial help. However, the Task Force member expressed his appreciation for the Jumpstart program and said that it will be a huge help.

A Task Force member raised the issue of receiving fewer funds per head compared to Hurricane Katrina victims. Victims of Hurricane Katrina got 18 dollars per head but victims of Iowa floods are getting eight dollars per head. The member also expressed his concerns regarding limited funds that are coming in. He also talked about elderly who are in a fix and do not know whether they will get help or not.

A Task Force member asked if Jumpstart money is linked to bank money or SBA loans. A lot of small businesses that took huge hit cannot afford additional loans. Statistics show that 50 to 60 percent of businesses after floods do not recover. To say that Jumpstart funds are available if they borrow money, that basically ensures that 50 to 60 percent of the businesses will not recover.

A Task Force member gave perspectives on Waterloo downtown that went under on one side of the river which has impacted eight businesses. The impact is greater because that is one portion of the downtown. The member also informed the attendees of an entrepreneurial networking event that University of Northern Iowa put together. The event was attended by 140 individuals and direct contacts were made with 72 of them.

Another Task Force member talked about the need to provide more technical assistance for the Jumpstart programs. People are unsure on how applicants are selected and checks issued.

One Task Force member mentioned that the job training program for those impacted by floods or long-term unemployed is having a positive impact on individuals. The member gave an example of an employee who was a felon but felt that the program gave him a chance to do something positive for the community. Another Task Force member said that he is also hearing positive comments from people.

A Task Force member mentioned that the state should speed up the recovery efforts before the winter season. He said that there are already delays in construction projects in Coralville which delays the move-in time from October to March of 2009. He mentioned that sometimes businesses cannot simply relocate because they are in a particular location for a reason. He also talked about the flood impacts on schools and student population.

A Resource Group member expressed his concern regarding landlords who are moving back into buildings and will not receive further disaster assistance funds. People are spending their own funds to rebuild and the actual damage figure is close to billion dollars rather than half a billion dollars which has been used. Even though people got some money, they still have immediate needs that need to be met.

One Task Force member gave an update on Louisa County where local businesses are up and running because they are using their own resources to rebuild. However, corporate businesses such as Casey's are still not open. There is a pattern that businesses that have outside the town ownership are not opening whereas local businesses are. Business owners are hopeful that they will be reimbursed some money. Also, Main Street businesses are not opening, which poses another challenge.

A Resource Group member said that in Cedar Rapids, there is a core group that is working hard to rebuild the community. He expressed the need to be more flexible with the rules and regulations so that the needs are adequately expressed. He also said that this is a good opportunity to create the vision for the long term, but that will also require some thought on the tools needed to achieve that vision. Co-chair Earley said that suspending legislative rules should be considered in the afternoon discussion.

A Resource Group member said that it is critical for people to understand the rules so that when additional funds are coming in, people spend less time figuring out the rules and can distribute funds as quickly as possible.

A Task Force member raised the issue of city sustainability and property taxes and mentioned that the discussion should also focus around diversifying revenue sources. Co-chair Earley said that this issue is addressed as one of the top recommendations.

One Resource Group member expressed the concern for waiving rules and regulations. He said that careful attention and thought needs to be given when waiving the rules. He said that rules are in place for a reason, and one needs to think carefully what the logical consequences will be of waiving or relaxing the rules. Another Resource Group member agreed.

A Task Force member talked about the affects of the floods on the non-profit sector, especially in Linn County. Human services organizations are becoming more and more fragile as they are

losing their revenue base and are experiencing increasing costs. He also talked about the impact of non-profits on the overall economy and local businesses.

Rosmann thanked the members for their inputs and asked Mike Tramontina to give an update on tax credits. Co-chair Earley asked Tramontina to address number of issues such as where to get help, how to address issues of non-profits, which are covered by the Jumpstart program.

Mike Tramontina, Director, Iowa Department of Economic Development (IDED)

Tramontina began by expressing his regrets for not being able to stay for the full Task Force meeting because he had a Power Fund Board meeting that was scheduled before the Task Force meeting. Tramontina said that Iowa does not have any programs or appropriations at the state level which are intended to provide financial assistance to businesses during disasters. IDED is planning to use its statutory authority to reprogram funds to meet the needs of businesses. At the federal level, Small Business Assistance (SBA) program provides help to businesses and there are also federal funds coming from CDBG. IDED is being aggressive to change rules that will normally be not accepted.

Tramontina talked about the Jumpstart program. The Jumpstart program has two phases. One phase allows the use of state money. Even though the state does not do any direct lending, it is making three loans a month. The state also lacks the infrastructure at the local level to put the money in the hands of the businesses and monitor that the money is used for intended purposes. Therefore, the Jumpstart Program is being administered through cities and Councils of Government (COGs). Cities that will administer SBA loans are Cedar Rapids, Iowa City, Cedar Falls, Waterloo, and Des Moines. The respective COGs already exist, and the state is working with the six lead COGs. Towns that were not severely affected have subcontractors who are working with them. With five cities and six COGs, the state is pretty much covered. Cities and COGs do very little lending, therefore an apparatus needs to be set up that gives them an expertise in lending. City Councils are entering into agreements with the cities. Cedar Rapids is the biggest one and for that, the apparatus has been set up this week. However, there are other things that need to be finalized, such as enforcement compliance.

The total amount will be about \$30 million. Of the total funds, \$15 million is state money, \$5 million comes from federal funds and \$10 million is CDBG money. For the Jumpstart Program, IDED will have an online application system on its website. Instead of IDED, the cities will be making the forgivable loans. The COGs are working through their governments in the respective rural areas. Once the state money is used up, IDED will use the federal funds. However, federal funds come up with a string of requirements, but IDED will try to isolate the compliance issues to make it convenient for the state. Funds will be distributed as forgivable loans to provide some level of underwriting. The maximum loan amount that can be awarded is \$50,000. IDED will give a bonus of \$5,000 for energy efficient improvements and equipment.

Tramontina said that the only requirements for Jumpstart funds are that businesses reopen. The loans will be forgivable. Another requirement is that businesses who receive loans report to SBA the loan amount to avoid duplication of benefits. The IRS has rules to make the loans non-taxable.

Tramontina said that landlords of single-family housing and apartments are not eligible for the Jumpstart business assistance, but may be eligible for housing assistance. Mobile homes are part eligible because mobile homes are really not considered residential. A Task Force member said that one landlord has restored a hotel and the lower level will be commercial. Tramontina said that commercial property owners can qualify for Jumpstart loans.

Tramontina said that it is sad to see businesses close in Cedar Rapids. Economic development programs are intended to grow jobs that meet minimum wage requirements. Any business that does not pay at that level, are not eligible for awards or incentives, according to state law. The public and the legislature do not approve lower wages or reward companies that do not pay prevailing wages. IDED can raise the issue again at the Power Fund Board meeting. It is possible for them to waive the rules if people are paid the wages that were paid before the disasters. This is a large policy issue that the state needs to settle. In Cedar Rapids, the wage was \$14 per hour but the county requirement is \$17 dollar per hour.

A Task Force member talked about people who were hit by a loss of job and loss of a house. He said that Iowa is already a low wage state and it does not make sense to drive the wages lower, but during times of disasters, certain criteria and rules should be bent. Tramontina said that he will work with the Board on that, but he would expect that the companies come back to the same level as before the floods and build better. However, the state has no appropriations for something like this. It is not the best scenario to reallocate funds for this and then find out that there is no funding for other programs.

A Task Force member appreciated IDED and Tramontina's work launching the Jumpstart program. Tramontina said that the mechanisms are being put in place which is a good thing. However, he mentioned that IDED has no authority at the retail level. The legislature will need to step up with something to address the retail issue.

Co-chair Gerhard asked if non-profits fall under Jumpstart and what defines non-profits. Tramontina said that any non-profit which is eligible for the SBA is eligible for Jumpstart but non-profits need to show some property and inventory. One Task Force member asked if qualification for a loan is a valid substitution for non-profits to qualify for Jumpstart. Tramontina said that SBA has to agree to lend the money.

Another Task Force member said that businesses that are not coming back need to be replaced with better businesses that are tuned to better economies. Workforce and economy are the same thing. There is a need to look at incentives and seek a trained workforce for the businesses. Businesses need to rebuild to the 21st century needs. If the workforce is not there, businesses would not come here.

Tramontina agreed and mentioned that Co-chair Gerhard is on the IDED Board as well, and he can answer any further questions.

Laura Stein, Iowa Department of Economic Development

Stein talked about Jumpstart Housing program that offers four programs. They are:

- Repair or Rehabilitation – An eligible resident whose disaster-affected home is not proposed or located in an area proposed for property acquisition under the hazard mitigation grant program may receive financial assistance to pay for eligible repair expenses up to an amount not to exceed the lesser of \$50,000 or 60% of the latest assessed value of the disaster-affected home (not including the assessed value of the land on which it is situated) dated prior to the natural disasters of 2008.
- Energy Efficiency Assistance – Eligible residents, who receive either down payment assistance or housing repair or rehabilitation assistance, shall also be eligible to receive an additional loan amount, up to a maximum of \$10,000, as reimbursement for the cost of purchasing and installing eligible energy efficient home appliances and improvements for the home being purchased.

- Interim Mortgage Assistance – Each homeowner may receive a maximum of \$12,000; may be used with Jumpstart down payment assistance; may not be used with Jumpstart housing repair and rehabilitation unless property acquisition is declined; interim mortgage assistance is available as a forgivable loan.
- Down Payment Assistance – An eligible resident whose disaster-affected home was destroyed or damaged beyond reasonable repair may be provided down payment assistance for the purchase of replacement housing located within the local government participant's jurisdiction and, if necessary, for the cost of making reasonable repairs to the home being purchased to make it safe, decent, and habitable. The amount of down payment assistance available to an eligible resident shall generally not exceed 25% of the purchase price of the home being purchased and in no event shall the down payment assistance and any amount allowed for repairs collectively exceed \$50,000.

Applicants must be registered with FEMA and are eligible for a maximum of \$72,000 in Jumpstart housing assistance. Stein said that people can email her directly if they have further questions on the Jumpstart Housing program.

Rosmann informed attendees that information on Jumpstart programs is contained in the packets. Co-chair Earley asked about the issues of per capita difference. Tramontina said that he does not have an answer to that. But, Harkin or Grassley should have the answer to this question. Tramontina said that a lot of tax incentives were tucked into the bailout plan. A tax package was tagged on to the plan. A Task Force member said that issue of per capita difference lies at the federal level.

Co-chair Earley asked the group whether, since the state does not have funds for a disaster like this, is there a call for action to develop a mechanism. Tramontina said that is something that is needed and the legislators should act on it. Co-chair Earley asked if IDED can develop this. Tramontina said that there needs to be a provision that creates a check-list of programs that become active in case of a severe disaster. Co-chair Earley asked about the best way to balance funds and accountability. Tramontina said that legislation has to authorize the accountability measures. It is difficult to balance accountability with speed. If the Governor did not have to go through the transfer, the process would have been quicker. COGs suddenly went from administering very little loan money to administering eight million dollars. There is a risk associated with it. This will call for discussions with the auditors.

Slater said that the Commission has recommended creating disaster contingency funds. A Task Force member said that the immediate issue should be to evaluate the immediate needs but going forward, the state needs to develop a mechanism that meets the needs of the people quicker. Tramontina said that IDED will keep track of the applicants and the amount given out.

A Task Force member talked about the realities at the street level. Retail businesses need counseling on how to recover from floods. Tramontina said that some of the old CDBG funds can be utilized to provide consulting to the Main Streets. Consultants will also work with cities that have been affected and are not Main Streets.

Tramontina said that Jumpstart programs are tax free at the federal and state level. One Task Force member said that it will be nice to have flexibility with the Embrace Iowa money. Louisa County received less than what was hoped for. Co-chair Earley and Slater said they will get an update on that. Slater said that Embrace Iowa had a structure in mind to release those funds. Since Embrace Iowa falls within the private sector the state does not have any control over it.

Co-chair Earley thanked Tramontina for his time and for all the questions he answered. Rosmann turned to Buck and asked her to give updates on the workforce front.

Elizabeth Buck, Director, Iowa Workforce Development (IWD)

Buck passed out a couple of handouts. The federal government allowed extending benefits to individuals who exhausted their unemployment benefits. It is hard to comprehend the kind of unemployment there is. There are about \$9 million in Iowa unemployment funds. Even with all increase in unemployment, funds are very solvent. At the last meeting, a number of people received disaster employment.

IWD has received 2,833 Disaster Unemployment (DUA) claims. The program is intended for those who would qualify for unemployment but small businesses owners can apply for this as well. Major portion of the group is small business owners and agriculture economy. For the DUA claims, the deadline has been extended to October 13 because there may be farmers who might know the full impact of the disaster at this point. However, IWD has not received any new DUA claims. IWD will try to extend the deadline further to ensure that everyone who is eligible is receives the funds. Unfortunately, claim applications are paper intensive.

There are 16 regions around the state for the National Emergency Public Jobs Program. The program puts Iowans back to work. Employees do disaster impacted work such as cleaning and removing debris. The handout shows the type of work they are doing by region. Employees receive prevailing wages for these jobs in addition to receiving workers compensation and work safety equipment. IWD also pays for transportation and child care. One of the challenges is that some of the entities are getting 90 percent reimbursement and so have chosen to hire their own people. This program will go on for two years. IWD encourages agencies and organizations to call local IWD office for staffing for projects. IWD can provide quotes on Promise Jobs program. This is a great way to get people back into the workforce.

Buck said that some sites that have already been cleaned up. Co-chair Gerhard asked if non-profits can take advantage of this program. Buck said non-profits are participating in the program. In Cedar Rapids, the vast majority are from non-profits. A Task Force member said that workers can be hired part-time as well. The grant also allows hiring supervisors. People who get hired for this program are those that have been affected by the floods. A Task Force member said that she is pleased to hear about the two-year timeframe. Buck said that private entities cannot take part in this program. Buck said that the struggle is with individual homes because they have to meet certain criteria.

Rosmann thanked Buck for the update and asked Stein to give updates on RIO.

Stein said that RIO is moving into a longer-term focus and staffing. RIO has also relocated to the second floor of the Wallace Building and is hiring staff for operations, communication, and two other main areas:

- Policy and Program Coordination – This group will work on carrying forward the recommendations of the Commission and Task Forces as well as exploring other policy options. They will coordinate with experts and other stakeholders to design and implement policy.
- Long-Term Community Recovery – This group is working with 10 communities on their long-term recovery planning. This includes one staff person working out of Cedar Rapids and others traveling throughout the affected region. The number of communities included in this can and will be expanded over time according to community needs.

RIO also helped to launch two new state programs that we discussed earlier to bridge the gap in needs unmet by federal funds.

- Jumpstart Housing – provides funding in grants and forgivable loans for home repair, mortgage assistance and down payment assistance.
- Jumpstart Small Business – provides forgivable loans to disaster-affected small businesses for repairs, operating costs, etc.

RIO is coordinating with federal partners to maximize Iowa's share of disaster appropriations and streamline the delivery of those funds.

- FEMA Public Assistance projects have now exceeded \$350 million.
- More than 23,000 Iowans have now been approved for FEMA Housing assistance. Everyone requesting temporary housing has been placed.
- More than \$236 million in SBA loans has gone out to businesses and individuals.
- \$85 million in HUD Community Development Block Grant funding has arrived; another allocation of up to \$150 million is expected in the next few weeks.
- Another \$23 billion for disaster relief was appropriated by Congress and was signed by the President last week. We are working with the federal agencies administering these funds to ensure that Iowa gets its fair share as quickly as possible with as little red-tape as possible.

One Task Force member said that human factors do not get captured in the statistics. A news release said that all five families were put in housing. However, the reality is that 18,900 people were displaced from their homes. Majority of them have doubled with other families. That news did not reflect the reality. Stein said that definitely needs to be addressed. A Task Force member said that residential areas that were flooded were primarily low-income areas. People who have to drive to go to the trailers are spending a lot of money on gas. 900 cars were lost. There is a lot of reality that is not depicted in the statistics.

Stein said SBA received 1,200 applications of which 513 were approved and 459 were approved at four percent rate. The approved loans totaled \$73 million. Of the ones that were not approved, about 25 percent applications are withdrawn by applicants since SBA requests more information and applicants do not give that. The process does not tell what interest rate you will get until the loan is approved. A Resource Group member said that there would not be a lot of people who will take eight percent loans. Stein said that SBA is working diligently to address eight percent loan issue.

A Task Force member asked how much money is taken to administer RIO and where does the money come from. Riley said that he does not have an actual figure but can find out from the RIO. Co-chair Earley said that RIO had four million dollar Economic Development Administration (EDA) grant money to run the program. Presently, the number of employees has fluctuated. There are dozen people residing in the office and one full-time employee. Money is being used to pay for salaries and overhead. There are four people in the Communications who support the website. Their role is to get the information into the hands of the public. RIO is also working with other state and federal agencies. A Task Force member asked if there is a timeline for the RIO office. Riley said that RIO office will be there for as long as there is a need to meet the needs of the Commission. Currently, it is set for three years.

A Resource Group member asked if the recommendations (on the screen) are recommendations for all Task Forces. Rosmann said that these are the overarching recommendations to the RIAC. Slater said that the Commission used two sets of

recommendations. Rosmann said that the primary recommendations of the Task Force were taken to the Commission and the Commission used those to come up with the 45-day recommendations.

A Resource Group member said that one needs to address the issue of tax values on properties which have gone to zero. Slater said that is an important issue and the legislature will have to deal with it at a certain point. Co-chair Earley said that Gerhard and he will push the issue at the next Commission meeting.

A Resource Group member asked if there is an update on the progress report related to rebuilding efforts. Riley said that each Monday, RIO updates a document that contains all the assistance delivered and programs done, by the close of business on Saturday. Those updates are distributed through the media and are also listed on the website. Slater said that seven out of nine Task Forces have put case management as a top priority. There is a real need to communicate with the public at all levels. The outreach effort is going on currently.

There were discussions on RIO's press release on the five families who received FEMA assistance. A Task Force member mentioned that in his neighborhood, people were angry when they read that all five families got housing assistance. Riley corrected the information and said that all those who had requested housing got FEMA housing and mentioned that there are miscommunications between what RIO writes and what the media perceives the news to be. Riley apologized for the miscommunication but mentioned that RIO is very carefully with its wording in everything that goes out to ensure that the news is not misunderstood.

Identify Priority Issues for Achieving Long Term Recovery

Co-chairs Earley and Gerhard said that the group needs to focus on identifying longer-term issues that are critical priorities for the Commission to consider as they develop their 120-Day Report. It is also important to recognize that this meeting is not focused on specific programs nor funding requests, but more on what needs to be done to ensure the recovery process leaves the state in a better position for success in the next 10-15 years. Members should think about questions such as "What worked and did not work?" "What are some specific strategies and approaches to get Iowa into a better position for any future disaster?"

Co-chair Gerhard said that the issue of flood insurance needs to be revisited. A Resource Group member said that this is the most logical solution to all problems. Slater said that the Commission is working to address the issue of flood insurance. Slater asked McNary from the Aerial Services, Inc. to give an update on mapping. McNary said that they are doing LiDAR maps which are much more accurate than other maps. Currently, two-thirds of the state has been covered by that process. Creating maps is a time-intensive process. It is hard to resolve the issue of flood insurance without accurately knowing who lies in the floodplains. Co-chair Earley asked if mapping will enhance the ability to predict the disasters. McNary said that LiDAR maps will allow DNR to run models and computer simulations that will give a close estimate to predict impact of disasters. Accuracy of data will make the predictions stronger. But, the data should be shared as well, i.e. data from upstream should be shared with downstream communities. Some of the hydrology work that has evolved is to create data sets that can be brought to these types of meetings.

Co-chair Earley asked if Iowa is behind Minnesota and Wisconsin in completing flood maps. McNary said that there are states that have already done LiDAR maps. Iowa Geographic Council and DNR are the two entities that helped start the LiDAR project. Slater said that the

Commission did recommend mapping as a vital step even though it may require approximately \$15 million.

A Task Force member raised the issue of private insurance. Slater said that the Commission will receive a briefing on private insurance. Co-chair Gerhard said that planning and zoning also requires knowing where the floodplains are.

There was a discussion on flood protection. A Task Force member said that building in flood prone areas undermines flood protection. A lot of pre-existing homes in floodplains need to be bought or should seek another alternative. A Task Force member asked whose responsibility is it to replace these houses with better houses. Slater said that this is something we need to think about, both from the commercial and housing side.

There was a discussion about the business cycle. A Resource Group member raised the issue of recruitment and retention. He said that the issue of retention should be thought out after the issue of recruitment is addressed. Iowa is ranked 46th in the nation for per capita income. Slater said that general quality of life is an inherent issue.

A Task Force member said that Cedar Rapids owns a lot of undeveloped land, and there is an opportunity to build a sustainable city. Cedar Rapids has taken a smart development score card to build in the inner core of city rather than contributing to urban sprawl. Taking a neighborhood approach for economic development is an opportunity.

There were further discussions on creating sustainable cities. A Task Force member said that disasters provide an opportunity to build differently, but that requires strong will. A Resource Group member raised the issue of workforce needs for the future. Iowa has an excellent public education system, and there are other strong assets, but there is a need to provide training. High school students are not aware of some of the careers in which Iowa is leading, such as the biotech industry. The state needs to invest heavily on raising awareness about different career options so that young people have a reason to stay in Iowa. They will stay only if they are aware of the opportunities. Another Resource Group member talked about providing incentives for whole families so that they do not move out of Iowa.

Mowers said that job training, retention and attracting workforce are long-term issues that need to be addressed. A Task Force member said that working people should be granted continuous learning opportunities so that they are able to update their skills. There is a disconnect between the skills that the jobs require and the skills that the workforce has. The state and businesses have a responsibility to motivate people to acquire more and newer skills. A Task Force member said that people should be allowed to mentor each other to move forward. Businesses need to be flexible. A Task Force member said that high school dropout rate needs to be addressed as well.

Palmer, a member of the Generation Iowa Commission, talked about the Next Generation Council. The Council is looking at industry clusters and also the need to diversify major employers. Folks should have options to choose from. Quality of life and sustainability are critical issues.

Rosmann asked the members to talk about mechanisms to achieve the vision for Iowa. Co-chair Gerhard mentioned that there is a need to establish a disaster contingency fund. Co-chair Earley mentioned that there is a need to develop a handbook intended for mayors and the Governor that lists programs, procedures, and administrative rules that would be activated in

times of severe disasters. There is also a need to identify areas that are susceptible. Businesses would not locate to Iowa unless Iowa can minimize the risks for businesses. Iowa should also take a direction towards entrepreneurship. Iowans who are getting higher education should have opportunities and incentives to stay in Iowa.

A Task Force member said that a contingency plan should be able to handle all kinds of disasters including those such as pandemics. Co-chair Earley talked about businesses having a disaster recovery exercise and said that a similar plan should be established at the state level.

There were discussions on having some system in place to address the needs of social service agencies. A Task Force member said that organizations such as Salvation Army and American Red Cross operated over their budgets and took a great deal of financial risks. Slater said that a case management structure should be set in place which has sufficient resources and a viable structure. RIO has already begun to set up such a system. A Task Force member mentioned that the Cedar Rapids model can be utilized statewide as it allocates resources quickly. Another Task Force member mentioned the urgency to stabilize the Iowa economy.

There were discussions about making Iowa attractive to businesses. Slater said that companies should be made aware that Iowa is good for business. A Resource Group member said that Iowa needs to show that it is unique and different, but for that to happen, people need to understand what the economic development plan is. There is an opportunity to realign the collective priority at the state level. Iowa needs to market itself to Iowans. The state should create tools for small businesses to market themselves. Currently, family-owned businesses market themselves with little or no help from the state. Co-chair Gerhard said that the state needs to take a closer look at this issue. Main Street programs need to be reexamined to figure out where non-Main Streets fits.

Slater asked the members to brainstorm the top priorities for the long-term. A Task Force member said that the priority should be to receive the biggest bang from any policies that are implemented. A Task Force member said that any policies should meet the vision for Iowa in the long-term. Another Task Force member said that small businesses create 80 percent of the jobs; therefore, a strategy on small businesses should be a priority. A Resource Group member emphasized paying attention to the business model, methodology and funding sources. Community colleges can play an important role in this.

Mowers emphasized the need to provide job training in addition to education to close the gap on the skilled workforce. A Task Force member said that Iowa should create a workforce that is healthy, has money to feed itself, has a roof over its head and has a better quality of life.

Co-chair Earley said that if he had a dollar to spend after this disaster, he would spend 20 cents on the safety and security of people in the affected areas. Other 20 cents he would spend to make sure that there was food and shelter available. Families would rather have a job and be willing to double with other families. He would spend the next 50 cents on opportunity and the last ten cents on the handbook.

Co-chair Gerhard said that flood insurance is part of the solution and the disaster contingency funds are critical. Co-chair Gerhard said that if everyone in the flood disaster areas had insurance, it would have been a different world. The Resource Group member said that the state ought to look at federal flood insurance. People should be able to get flood insurance at a rate that is affordable and fully covers their assets. Another Task Force member said that people should not build in the floodplains. Another Task Force member mentioned that

insurance cannot be provided until there is a demand and floodplain maps that accurately depict the risk areas.

There was a discussion about diversifying revenue sources. It is like a Maslow hierarchy of needs. As Iowa rebuilds, it should pay attention to safety, food, clothing, and shelter. There should be a mechanism to ensure that the funds are spent appropriately. Small businesses need to be trained in utilizing the funds for the purposes intended. This falls under the technical assistance/case management issue. People need to be educated to make sound financial decisions.

A Resource Group member talked about using this opportunity to get rid of duplicated efforts. Cedar Rapids has 11 school districts even though it is a small city. The state can work to make the systems efficient and use the remaining funds for other education/training programs. Another Task Force member talked about the Regional Business Center at UNI that holds the mechanism for technical assistance for small businesses. The Center lost \$100,000 in providing technical assistance for the Jumpstart program. That is another area that can be made efficient. Another area is assessors. Things will be more efficient if there was a central assessor.

A Task Force member raised the issue of how to tap into emergency and cash reserve funds. Another issue is whether these funds are big enough to handle the disasters such as of this year. The group said that the contingency plan should be in the top five priorities. Slater said Co-chair Earley's dollar example addresses the basic needs and job creation. These are the basic issues that should be the priority, followed by the subsets such as flood insurance, attitude, and duplication/consolidation efficiency.

A Resource Group member raised the issue of a funding source and the funds needed. Co-chair Earley said that issues such as levees should be addressed before any issues. A Task Force member raised the issue of housing and road infrastructure. Another Task Force member mentioned the need to emphasize availability of training.

A Task Force member said that employment or having a job should trump the housing needs. If a person does not have a job, he cannot buy food, clothing or shelter.

Co-chair Gerhard thanked everyone for coming and for giving their inputs. He said he will be happy to put together the blueprint and the infrastructure to ensure that this kind of disaster does not happen again. Co-chair Earley went over a few issues that he will take forward to the Commission. These are use of Embrace Iowa funds and impacts on property taxes. Other issues are communication to the Task Force members via email through weekly status reports. Co-chair Earley thanked everyone for taking the time to attend the meeting and for providing feedback and ideas on long-term vision for Iowa.

Slater reminded the Task Force members that the meeting notes will be posted on the website. The Commission will review parallel discussions from the all Task Forces to develop the 120-Day Report. The Governor will receive the report on November 17. Slater thanked the people for their time and input.